

2006-2007 PERFORMANCE PLAN – PORTFOLIO MANAGER, QUANTITATIVE STRATEGIES (Ho)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
40%	Risk Managed Absolute Return Strategies	Return relative to: Program policy (SNLCA1 vs. CPERHED2)	0 basis points = 0 +50 basis point = 1.0 +100 basis points = 1.5
15%	Global Equity	Excess return in basis points relative to: Global Equity Performance Benchmark (GLOBLIC vs. CPERSGE2).	-50 basis points = 0 -10 basis points = 1.0 +15 basis points = 1.5
55%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
25%	Global Internal Active Equity	1) Implement volatility strategy by June 30, 2007. 2) Complete factor research by June 30, 2007 . 3) Complete white paper for Global Developed Market strategy by June 30, 2007.	0 strategies = 0 1 strategy = 0.5 2 strategies = 1.0 3 strategies = 1.5
15%	Leadership	Demonstrate leadership within CalPERS and in the external investment community.	From Schedule
5%	Quantitative Studies	1) Complete Corporate Governance factor research by June 30, 2007. 2) Complete Corporate Governance return attribution model by June 30, 2007.	0 studies = 0 1 studies = 0.5 2 studies = 1.0
45%	Subtotal	Qualitative Measures	
100%	Total	Quantitative & Qualitative Measures	

Supervisor's Approval:

Original signed by Christy Wood

Date: June 7, 2006